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RUEHBO/AMEMBASSY BOGOTA 7191  
RUEHBR/AMEMBASSY BRASILIA 5854  
RUEHBU/AMEMBASSY BUENOS AIRES 1547  
RUEHLP/AMEMBASSY LA PAZ 2441  
RUEHPE/AMEMBASSY LIMA 0702  
RUEHSP/AMEMBASSY PORT OF SPAIN 3321  
RUEHQT/AMEMBASSY QUITO 2532  
RUEHSG/AMEMBASSY SANTIAGO 3858  
RUEHDG/AMEMBASSY SANTO DOMINGO 0367  
RUEHUB/USINT HAVANA 1017  
RUMIAAA/HQ USSOUTHCOM MIAMI FL  
RHEHAAA/WHITEHOUSE WASHDC  
RHEBAAA/DEPT OF ENERGY  
RUCNDT/USMISSION USUN NEW YORK 0715  
RUCPDO/DEPT OF COMMERCE  
RUEATRS/DEPT OF TREASURY  
RHEHNSC/NSC WASHDC

C O N F I D E N T I A L CARACAS 000102

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ENERGY FOR CDAY, DPUMPHREY, AND ALOCKWOOD  
NSC FOR DTOMLINSON

E.O. 12958: DECL: 01/17/2017  
TAGS: [EPET](#) [ENRG](#) [EINV](#) [ETTC](#) [ECON](#) [CU](#) [VE](#)  
SUBJECT: CONOCOPHILLIPS' CUBAN CONCERNS

Classified By: Economic Counselor Andrew N. Bowen for Reason 1.4 (D)

¶1. (U) Action Requested: Please see Paragraph 5.

¶2. (C) SUMMARY: Petroleum Attache (Petatt) met with ConocoPhillips (CP) executives at their request to discuss a recent visit by a Cuban delegation to the Petrozuata strategic association. CP is concerned that PDVSA will try to use Petrozuata to upgrade Cuban or Iranian crude. The company is very concerned about its responsibilities under U.S. law and asked Petatt to inform the relevant USG authorities of the situation. END SUMMARY

¶3. (C) A group of three CP executives, which included CP's Manager of Business Development, Negotiations, who is based in Houston, informed Petatt on January 16 that a Cuban delegation recently visited the Petrozuata strategic association. The delegation appeared to be composed of CUPET officials. CP has a 50.1 percent stake in Petrozuata and PDVSA a 49.9 percent stake. The executives did not give an exact date for the visit. They stated CP was given less than 24 hours notice of the visit. CP is not sure if the delegation visited Petrozuata's fields, upgrader, or both. CP promptly withdrew its employees when it was informed of the visit. Venezuelan direct hire employees of the strategic association guided the Cuban delegation during their visit. The Cuban delegation visit came on the heels of a whirlwind visit to Petrozuata's fields by an Iranian delegation. PDVSA also informed CP on the Iranian visit at the last moment. None of the CP executives were sure exactly why the Cubans and Iranians visited Petrozuata. (NOTE: An ExxonMobil executive told Petatt last week that a Cuban delegation visited Petrozuata. We are unaware of any visits by Cuban or Iranian delegations to the other strategic associations. President Chavez visited the Sincor strategic association on December 19. It is possible that Cuban or Iranian officials accompanied him on the visit. END NOTE)

14. (C) The executives said CP was very concerned that PDVSA would try to use Petrozuata to upgrade Cuban or Iranian crude oil. One of the executives noted the Petrozuata upgrader had surplus capacity due to recent OPEC production quotas. Another executive stated he was concerned that PDVSA would spring a cargo of Cuban or Iranian crude on Petrozuata with little or no advance notice. The CP executives were clearly concerned about CP's obligations under U.S. law and requested that Petatt inform the relevant USG officials of the situation.

15. (C) Action Requested: that Department provide us with an answer to CP's question as to whether the upgrading of Iranian or Cuban crude oil at the Petrozuata facility would violate U.S. laws or regulations.

BROWNFIELD